

Message Text

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12

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FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 7740

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY PHNOM PENH

AMEMBASSY RANGOON

AMEMBASSY SAIGON

AMEMBASSY SINGAPORE

AMEMBASSY VIENTIANE

C O N F I D E N T I A L KUALA LUMPUR 3900

STADIS////////////////////////////////////

FOR DEPUTY SECRETARY

E.O. 11652: GDS

TAGS: ASEAN

SUBJECT: US-ASEAN ECONOMIC CONSULTATIONS

REF: STATE 176399

1. FROM THE MALAYSIAN PERSPECTIVE, THERE ARE CLEAR BENEFITS TO OUR INTERESTS FROM THE PROPOSED CONSULTATIONS, PARTICULARLY IN MAKING ASEAN AND GOM AWARE OF OUR VIEWS ON THE BASIC ECONOMIC ISSUES FACING THE INTERNATIONAL COMMUNITY TODAY. ON THE ASEAN SIDE, HOWEVER, I CAN FORESEE SOME RELUCTANCE TO ENGAGE IN DISCUSSIONS WITHOUT SOME SPECIFIC AND FAIRLY NARROWLY DEFINED ISSUES AS THE BASIS FOR THE TALKS.

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2. IN CONSULTATIONS WITH JAPAN AND EEC, ASEAN HAD

SPECIFIC GOALS; LIMITATIONS ON THE PRODUCTION OF SYNTHETIC RUBBER IN THE FIRST INSTANCE, AND EXTENSION PREFERENCES IN THE SECOND. ASEAN AS AN ORGANIZATION HAS NOT, TO OUR KNOWLEDGE, DEVELOPED POSITIONS ON MANY BASIC WORLD ECONOMIC PROBLEMS AND WOULD BE BOTH HARD PUT TO REACH AGREEMENT AND RELUCTANT TO EXPOSE THE LACK OF CONSENSUS IN DISCUSSIONS WITH THE UNITED STATES.

3. AN OFFER TO TALK IS ALMOST CERTAIN TO GENERATE AN ASEAN EFFORT TO FIND SOME COMMON BREAD AND BUTTER ISSUE OF BENEFIT TO TWO OR MORE MEMBERS ON WHICH TO SEEK SOME U.S. CONCESSION. IN OUR VIEW THIS DOES NOT ARGUE AGAINST TALKS. ASEAN NEEDS TO DEMONSTRATE THAT COLLECTIVE EFFORTS PRODUCE RESULTS. IN MALAYSIA AT LEAST, THERE IS GROWING IMPATIENCE WITH ASEAN MEETINGS THAT PRODUCE ONLY RESOLUTIONS TO HOLD FURTHER MEETINGS. IT MIGHT BE WELL TO SEE IF WE CAN FIND SUCH A CONCESSION.

4. I FEEL, THEREFORE, THAT TALKS SHOULD NOT BE HELD UNTIL THERE IS SOMETHING SPECIFIC AROUND WHICH BROADER GENERAL DISCUSSIONS CAN BE BUILT. PASSAGE OF THE TRADE REFORM ACT WOULD SEEM SUCH AN ACTION.

5. IF WE TAKE THE INITIATIVE IN INFORMAL EXPLORATION OF ASEAN RECEPTIVITY WE RUN THE RISK OF CONVEYING THE WRONG SIGNAL,-THAT WE WANT TO BUY INTO ASEAN AS THE DUTCH, JAPANESE AND AUSTRALIANS HAVE DONE IN THE PAST WITH AID OFFERS. STATEMENTS THAT WE WANT GENERAL DISCUSSION WILL BE VIEWED AS SMOKE SCREEN. (I ASSUME IT IS NOT THE DEPT'S DESIRE TO DEVELOP ANY NEW MULTI-LATERAL ASSISTANCE PROGRAMS.) IDEALLY ASEAN SHOULD BE SOUNDING US OUT, AND THEY MIGHT DO SO AFTER THE PASSAGE OF TRA IF THERE SEEMS TO BE THEN SOME CLEAR-CUT REGIONAL BENEFIT IN DOING SO. WE HAVE ALREADY HAD SOME TENTATIVE FEELERS ALONG THIS LINE FROM A MINISTRY OF TRADE AND INDUSTRY OFFICIAL.

6. IF WE DON'T WANT TO WAIT TO BE ASKED, I THINK ALL ASEAN GOVERNMENTS SHOULD BE INFORMED AT THE SAME TIME OF OUR DESIRE FOR TALKS, OUR REASONS, AND A PROPOSED AGENDA IN A DIRECT, CARDS-ON-THE-TABLE WAY. FLOATING
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THE IDEA FIRST WITH MALIK I FEEL WILL START ALL THE SUBTLE SOUTHEAST ASIANS PLAYING THEIR FAVORITE GAME OF "WHAT'S BEHIND THE SCREEN," TO OUR LATER DETRIMENT.

7. IT WOULD BE DESIRABLE IF THERE WERE A CLEAR ELEMENT OF U.S. SELF-INTEREST IN THE REQUEST FOR TALKS. THIS WOULD HELP TO ESTABLISH THAT WE WERE TAKING ASEAN SERIOUSLY, AND NOT MERELY SUMMONING THEM TO BE LECTURED TO,

PATTED ON THE HEAD, OR TEMPTED WITH ASSISTANCE OFFERS.
UNDERHILL

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